

services. This type of information holds great promise for securing increased Federal funding.

Now, what is it that we have learned about their case reports? According to the Inspector General and GAO audit of 11 grantees, the 1997 report caseload for the 11 grantees was 370,000 cases; invalidated cases by their own IG and GAO were 175,000. That means one-half of the caseload reports based upon which they request money were invalidated by their own IG and the GAO. Therefore, they should receive one-half the financial requests they make.

#### TAX LOOPHOLE TO BE SHUT DOWN

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation to eliminate a tax avoidance technique available to only the very wealthy. This technique involves the use of swap funds.

Legislation to shut down this particular practice was enacted in 1967, in 1976, and most recently in the Taxpayer Relief Act of 1997. Each time that we have acted to shut this activity down, we have failed. We will not fail this time.

Swap funds are designed to permit individuals with large blocks of appreciated stock to diversify their portfolio without recognizing gain and paying taxes, like ordinary Americans. This transaction is often limited to blocks of stock with a value in excess of \$1 million to investors with investment holdings exceeding \$5 million.

My bill shuts down the latest avoidance techniques being used, which is to retain 21 percent of the assets of the swap fund in certain limited partnerships holding real estate.

The second part of this bill is broader. It states that any transfer of marketable stock or securities to any entity would be a taxable event under certain specific conditions. Let us be clear. This bill will be enacted into law this year.

#### WHO PAYS THE TAXES?

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, let us have a reality check. How can we have a debate about tax cuts without discussing who pays the taxes? That is right, who pays the taxes? Now, many people might find this quite odd; bizarre, in fact, in circumstances in today's politics, but I think most people would have to agree with me that one side never, ever talks about who pays the taxes.

In fact, in all my years of politics, I have yet to hear a Democrat talk about who pays the taxes.

Just this week, I have heard perhaps 100 speeches by Democrats attacking the Republican tax relief package and have not heard a single Democrat discuss the question of who pays the taxes? This goes without saying, of course. None of the networks ever do a story on who pays the taxes. For example, I wonder how many Americans are aware of the fact that the top 50 percent of income earners pay 96 percent of the Federal income taxes. That is right. The bottom 50 percent pay only 4 percent of the load.

Now, just think about that for a second.

I ask, why do my Democrat colleague refuse to discuss the question of who pays the taxes.

#### COVERUP IN WACO, TEXAS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, over 80 Americans were killed at Waco, many of them women and children, actually burned to death, and the Texas Rangers have now uncovered new evidence that said the Federal Government covered up the truth and lied about Waco.

Check it out. A recent memo says, Federal agents had a friendly meeting with Koresh just 9 days before the assault, yet Federal agents testified in court, and I quote, they said, they could not lure Koresh from the compound and were forced to engage in the assault.

Unbelievable. The Justice Department is lying through their teeth. Mr. Speaker, 700 Federal agents, tanks, and rocket power attacked American civilians, 80 of them killed, many of them women and children, burned to death, and nobody did anything about it. Nobody. It is time for an independent investigation into the FBI, the Justice Department, and the coverup in Waco, Texas.

#### MARRIAGE TAX ELIMINATION ACT

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, over the last several years, many of us have been asking a pretty fundamental question, and that is, is it right, is it fair that under our Tax Code married working couples pay higher taxes than identical couples who live together outside of marriage. They pay higher taxes just because they are married. That is the marriage tax penalty.

Mr. Speaker, I would like to introduce to my colleagues Michelle and Shad Hallahan out of Joliet, Illinois, two public schoolteachers who suffer the marriage tax penalty just because they are married.

Well, I have good news for Michelle and Shad Hallahan, as well as 28 million married working couples who suffer the marriage tax penalty. The House and Senate agreement on lowering taxes for working families makes elimination of the marriage tax penalty the centerpiece.

I am proud to say that the Marriage Tax Elimination Act, which now has 230 cosponsors, there were two key provisions which were included which helped both itemizers and non-itemizers. If one does not itemize their taxes, they benefit from the standard deduction; we double that. If one does itemize their taxes, they benefit from the widening of 15 percent tax bracket.

The bottom line is, we eliminate the marriage tax penalty.

#### SCHOOL MODERNIZATION

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, the Republican leadership can somehow find the time to pass a trillion dollar tax giveaway to the special interests who said this last weekend, We got the sun, the moon, the sky in the Republican tax bill. But that tax cut will add hundreds of billions of dollars to our national debt, debt for the very people who pay the taxes we are asking about. But they cannot find the time to address the needs of America's families.

We already know they will not bring a patients' protection act to the floor because they will not stand up to the HMO industry, and now, 1 month before the start of the school year, they will not even bring up a school modernization bill to the floor because they will not stand up and be counted for the Nation's children.

So, this morning, we Democrats begin signing a discharge petition to force them to do so. Some of our children will be going back to schools where there is inadequate heating for the winter, and without the modern educational tools they deserve.

Yes, this Republican Congress is a do-nothing Congress, but much worse than that, it has no values. The values of our children should be upheld today.

#### AMERICANS CAN BE TRUSTED TO USE THEIR MONEY WISELY

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Mr. Speaker, I want to commend Glenn McCoy of the Belleville News-Democrat in Illinois. He is a political cartoonist whose cartoon has been circulating throughout the country this week. It shows the President of the United States at a McDonald's and the cashier behind the counter saying,